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AGRICULTURAL PREPAREDNESS AND THE DROUGHT

Address of Secretary of Agriculture, Henry A. Wallace, ^{July 18 1936} ★
before the International Baby Chick Association, ^{U.S. Department of Agriculture}
Kansas City, Missouri, July 22, 1936.

U. S. Department of Agriculture, Agricultural Adjustment Administration,
Washington, D. C.

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HIGHLIGHTS

IN THE OLD DAYS, in years of ordinary weather the United States produced a considerable surplus for the export market, and in years of bad weather, exports were reduced but there still remained great abundance for use at home. When the export market so largely disappeared, beginning in 1930, America began to think about producing more definitely for the domestic market and less for the foreign market. This means that the United States no longer has the same kind of safety reservoir that it had in the days when there was an active, worth-while foreign market for its grains.

IT IS THE FARMER'S DUTY to the nation and to the consumers of the nation to produce enough food in every year, no matter how severe the drought, so that there will be no likelihood of any one going hungry. If the consumers of the nation hold the farmers to this duty in years of most severe drought, it would seem that the consumers of the nation would owe the farmers a reciprocal duty in years of unusually favorable weather. Reserve grain stored by farmers should be made to serve the nation in time of need without exacting an undue penalty from the farmer in ordinary years.

IF THE EVER-NORMAL GRANARY principle can be linked with the other general principle of crop insurance and the combination made to work, the disastrous effect of droughts and surpluses will be reduced to a fortunate minimum and American agriculture will have made another important step forward.

AGRICULTURE NEVER HAS PRACTICED and never will practice production control in the sense which industrial critics imply and in the sense which many industries use production control to cut domestic supplies in half to maintain prices. Agriculture has used and proposes to use in sensible fashion State and Federal powers to make adjustments to meet changing weather, declining European markets, increasing domestic markets, the need for soil conservation and the size of the carryover. This means increases of some crops and decreases of others. It means preparation to meet the hazards of drought and other vagaries of nature. It means doing these things in the interest of the general welfare.

AS A RESULT of the effort to achieve a balanced agricultural situation, farmers of the United States in 1936 have been in far better condition to withstand the effects of drought than they were in 1934. On July 1, 1936, both cattle and hog numbers were more nearly in balance with feed supplies and with effective demand; as a consequence, the country has not been faced with the problem of

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been trying our best.

liquidating several million head within a short time. Supplies of cotton and wheat and corn, while adequate, have not been so large as to drive farmers' prices to ruinous levels. The improved prices have placed farmers in a better economic position to meet an emergency. And, perhaps most important of all, the acreage of drought-resistant crops, such as grass and legumes, has been materially increased. In short, the drought has found the country much better prepared than in 1934.

IF CROP INSURANCE CAN ASSIST a farmer in maintaining himself it will become one of the cornerstones of our national farm policy as it is gradually emerging. This suggests that the principle of crop insurance may rank along with soil conservation, good land use, adjustment of supply to demand, and adequate credit as a major element in national farm policy. To be on a sound basis, it must appeal to farmers in areas in which insurance is necessary and which, from their crop history would be self-supporting under normal conditions. It must allow for adequate supervision without excessive costs. It must retain the active cooperation of farmers through long periods of good crops or fair crops. It must be based on adequate individual production records and a sound actuarial basis of experience. It should not tend to make some farmers more careless and less efficient. It should not penalize the thrifty for the benefit of the careless.

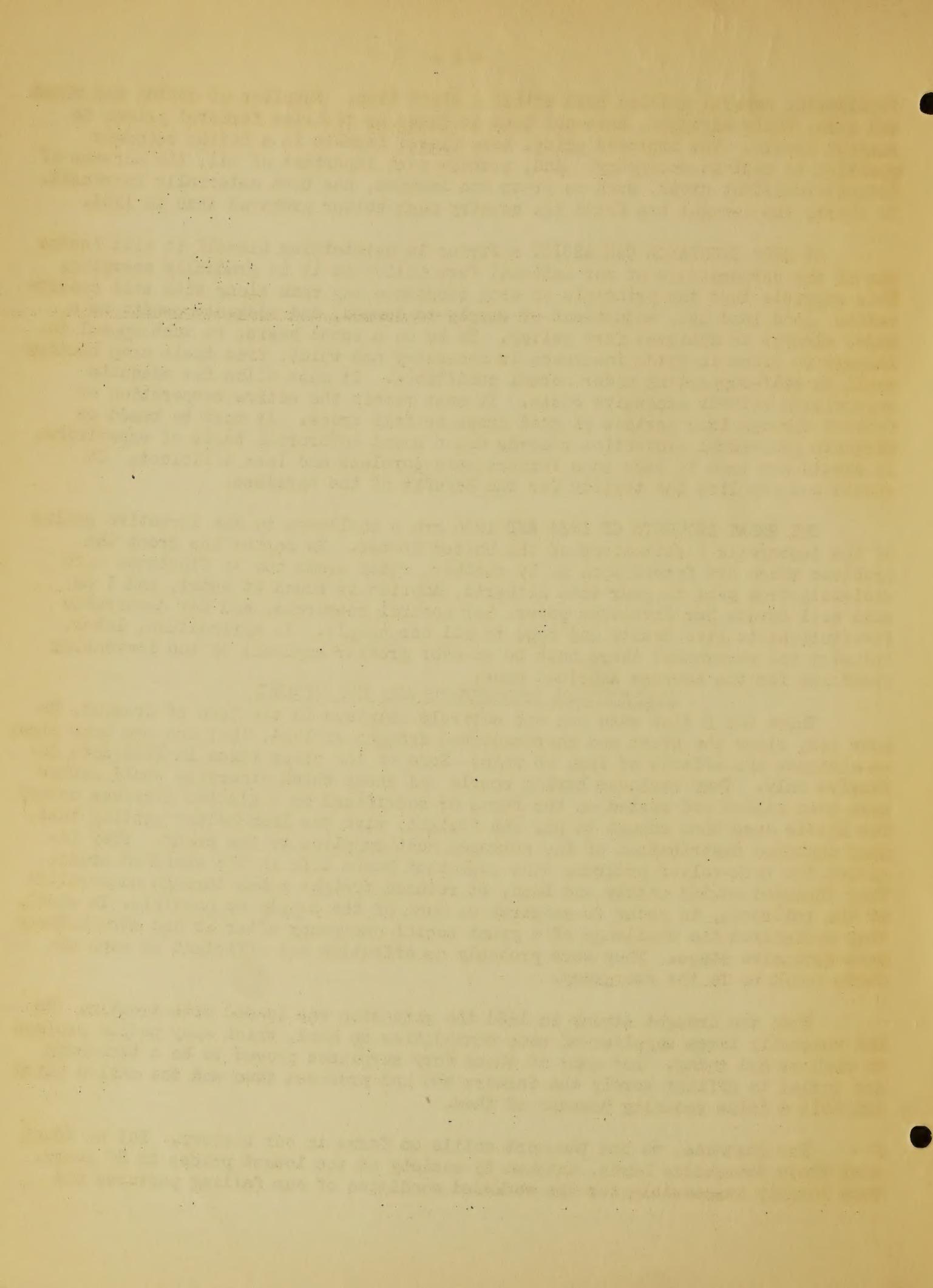
THE GREAT DROUGHTS OF 1934 AND 1936 are a challenge to the inventive genius of the democratic institutions of the United States. No matter how great the problems which are forced upon us by weather, which seems now to fluctuate more violently from year to year than hitherto, America is sound at heart, and I am sure will devote her inventive power, her natural resources, and her democratic institutions to give bounty and hope to all our people. In agriculture, labor, industry and government there must be an ever greater emphasis on the increasing abundance for the average American home.

AGRICULTURAL PREPARDNESS AND THE DROUGHT

There was a time when man was entirely helpless in the face of drought. We know now, since the great and unprecedented drought of 1934, that man can take steps to mitigate the effects of lack of rain. Some of the steps taken in 1934 were defensive only. They included buying cattle and sheep which otherwise would either have been killed and wasted on the farms or sacrificed on a glutted distress market for little more than enough to pay the freight, with the lien holder getting that. They included distribution of the salvaged meat supplies to the needy. They included the work-relief programs that sustained human life in the stricken areas. They included moving cattle and feed, at reduced freight rates through cooperation of the railroads, in order to conserve as much of the supply as possible. In short, they recognized the challenge of a great social emergency after it had struck. These were defensive steps. They were probably as effective and efficient as such efforts could be in the emergency.

When the drought struck in 1934 the situation was loaded with trouble. We had unusually large supplies of some commodities on hand, which many people profess to wish we had today. But many of those very surpluses proved to be a boomerang and turned to afflict sorely the farmers who had produced them and the nation which had felt a false security because of them.

For instance, we had the most cattle on farms in our history. But we found that these tremendous herds, untaken by society at the lowest prices in 30 years, were largely responsible for the weakened condition of our failing pastures and



ranges before 1934, and after the drought developed they were bawling on the ruined ranges for feed that did not exist. Eight million of them, at heavy expense to the government, had to be removed to save the cattle industry.

Similarly, total hog numbers which were among the largest on record and which consumers had taken only at the lowest prices in this century, were a still greater drain on the limited feed supply. Fortunately the little pig program of the autumn before had relieved the situation to the extent that no hogs had to be bought by the government in 1934, and that much feed was saved. Another fortunate circumstance was that many farmers, thanks to the government's corn loan in the fall of 1933, had been able to retain surplus corn on their own farms. But in the drought emergency, the unusually large hog numbers proved to be a liability to the country rather than an asset.

Up until the season of 1934, we had a big national acreage under the plow. This acreage had been plowed at the expense of corresponding acreage of range and pasture and feed crops, which are always more productive in time of drought. Fortunately again, a considerable shift back to grass and feed had already been accomplished under the adjustment programs, then in their first full year.

Still other surpluses in existence when the 1934 drought began were the big supplies of wheat and cotton and tobacco. But even those supplies were not an unadulterated blessing, especially to the farmers. Those surpluses had kept prices desperately low during the preceding years that the impoverished farmers had small financial reserves to help them meet a drought crisis.

The drought of 1934 found agriculture in a state of unbalance and peculiarly vulnerable to its crushing effects.

The government's first moves, as I have indicated, were purely defensive and were of an emergency character. As soon as the worst phases of the emergency had been met, steps were undertaken by the government to guard against the effects of future drought. In place of the unbalanced type of farming which had put agriculture at the mercy of drought in the past, the adjustment and soil conservation programs sponsored by the government helped to restore a balanced farming.

There are many respectable people who would leave such things entirely with nature. I wish that those who would rely entirely on nature could have spent a few days in the West during the great drought of 1934 and have seen the helpless cattle bellowing in the dust, and the despairing farmers standing amid the ruin of their fields, the victims of nature's method of making adjustments. Man's attempt at offsetting the extremes of nature is imperfect. But it is infinitely preferable to the inequalities of nature's ruthless distribution of production, which gives to one worthy farmer no crop at all and to another not only good yields but also high prices caused by the first man's failure.

There are other people who, instead of leaving it all to nature, would attempt to cooperate with nature's forces. The 1936 A.A.A. conservation program represents such an attempt. This program encourages a shift toward crops such as grasses and legumes which produce nutrients even with meager rainfall. It encourages listing the soil to prevent wind erosion. It encourages terracing, strip cropping, gully filling and other erosion control practices effective in preventing erosion

business and we received many gifts from our customers all during the year. This marked another year of strong sales for us. We are grateful to our customers who have been with us since our original opening and thank you for your continued support.

This year we focused on expanding our product offerings, introducing new items such as coffee, tea, and baked goods. We also expanded our online presence, adding a new website and launching a new social media account. We had a great year with regards to our customer service, with many positive reviews and feedback. Overall, we had a great year, and we are looking forward to what the future holds. Thank you again to all of our customers for your continued support and for making our business a success. We hope to see you again soon!

We are excited to announce that we will be moving our office to a larger space in the coming year. We are currently in the process of finding a suitable location, and we are hopeful that we will find one that fits our needs. We are also planning to expand our product line, adding new items such as pastries and baked goods. We are grateful to our customers for their continued support and for helping us grow and succeed. We are excited to see what the future holds for our business.

We are happy to report that our sales for the year were up 10% compared to last year. This is a significant achievement for our company, and we are grateful to our customers for their continued support. We are also excited to announce that we will be opening a new store in the coming months. This will allow us to reach even more people and provide them with our products. We are also working on expanding our online presence, adding a new website and mobile app. We are grateful to our customers for their continued support and for helping us grow and succeed. We are excited to see what the future holds for our business.

We are excited to announce that our sales for the year were up 15% compared to last year. This is a significant achievement for our company, and we are grateful to our customers for their continued support. We are also excited to announce that we will be opening a new store in the coming months. This will allow us to reach even more people and provide them with our products. We are also working on expanding our online presence, adding a new website and mobile app. We are grateful to our customers for their continued support and for helping us grow and succeed. We are excited to see what the future holds for our business.

We are excited to announce that our sales for the year were up 20% compared to last year. This is a significant achievement for our company, and we are grateful to our customers for their continued support. We are also excited to announce that we will be opening a new store in the coming months. This will allow us to reach even more people and provide them with our products. We are also working on expanding our online presence, adding a new website and mobile app. We are grateful to our customers for their continued support and for helping us grow and succeed. We are excited to see what the future holds for our business.

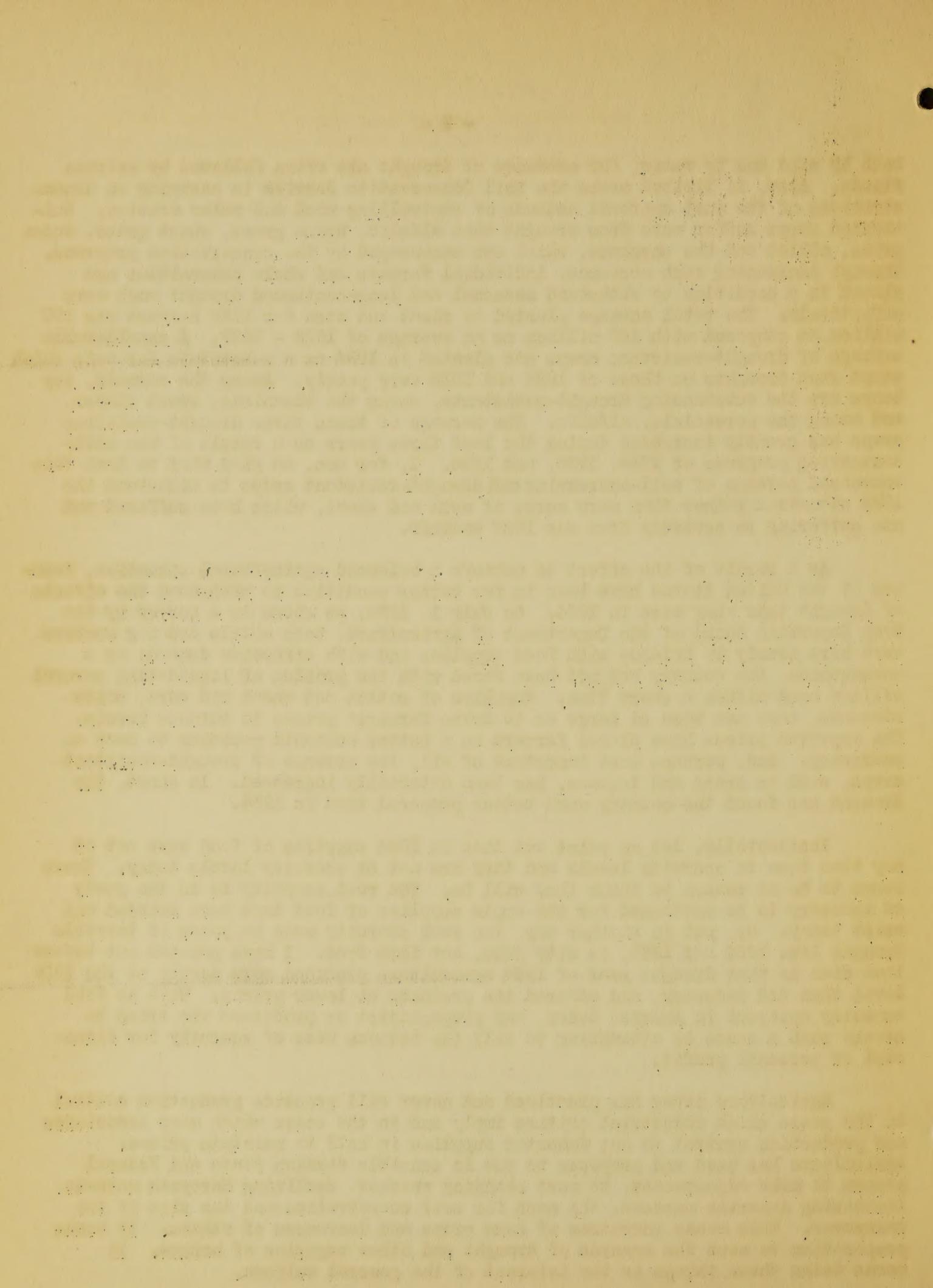
We are excited to announce that our sales for the year were up 25% compared to last year. This is a significant achievement for our company, and we are grateful to our customers for their continued support. We are also excited to announce that we will be opening a new store in the coming months. This will allow us to reach even more people and provide them with our products. We are also working on expanding our online presence, adding a new website and mobile app. We are grateful to our customers for their continued support and for helping us grow and succeed. We are excited to see what the future holds for our business.

both by wind and by water, for extremes of drought are often followed by extreme floods. Also, in limited areas the Soil Conservation Service is carrying on demonstrations of the most approved methods of controlling wind and water erosion. Cultivated crops suffer more from drought than alfalfa, brome grass, wheat grass, sudan grass, millet and the sorghums, which are encouraged by the conservation programs. Through increasing such acreages, individual farmers and whole communities are placed in a condition to withstand seasonal and long-continued drought much more effectively. The total acreage planted to wheat and corn for 1936 harvest was 170 million as compared with 169 million as an average of 1928 - 1932. A considerable acreage of drought-resisting crops was planted in 1936 as a substitute for oats which stand such droughts as those of 1934 and 1936 very poorly. Among the annuals, soy beans are the outstanding drought-resistants, among the biennials, sweet clover, and among the perennials, alfalfa. The acreage of these three drought-resisting crops has greatly increased during the last three years as a result of the soil-conserving programs of 1934, 1935, and 1936. I, for one, am glad that we have this increased acreage of soil-conserving and drought-resistant crops to withstand the 1936 situation rather than more acres of corn and wheat, which have suffered and are suffering so severely from our 1936 weather.

As a result of the effort to achieve a balanced agricultural situation, farmers of the United States have been in far better condition to withstand the effects of drought than they were in 1934. On July 1, 1936, as shown in a survey by the Crop Reporting Board of the Department of Agriculture, both cattle and hog numbers were more nearly in balance with feed supplies and with effective demand; as a consequence, the country has not been faced with the problem of liquidating several million head within a short time. Supplies of cotton and wheat and corn, while adequate, have not been so large as to drive farmers' prices to ruinous levels. The improved prices have placed farmers in a better economic position to meet an emergency. And, perhaps most important of all, the acreage of drought-resistant crops, such as grass and legumes, has been materially increased. In short, the drought has found the country much better prepared than in 1934.

Incidentally, let me point out that in 1934 supplies of food were not at any time down to scarcity levels and they are not at scarcity levels today. There seems to be no reason to think they will be. The real scarcity is in the goods of industry to be exchanged for the ample supplies of food that have existed and exist today. Or, put in another way, the real scarcity even in years of terrible drought like 1934 and 1936, is city jobs, not farm food. I have pointed out before that even in that drought year of 1934 agriculture produced more nearly at the 1929 level than did industry, and offered its products at lower prices. With no food scarcity apparent in America today, any propagandist or profiteer who tries to arouse such a scare is attempting to sell the hideous fear of scarcity for financial or personal profit.

Agriculture never has practiced and never will practice production control in the sense which industrial critics imply and in the sense which many industries use production control to cut domestic supplies in half to maintain prices. Agriculture has used and proposes to use in sensible fashion State and Federal powers to make adjustments, to meet changing weather, declining European markets, increasing domestic markets, the need for soil conservation and the size of the carryover. This means increases of some crops and decreases of others. It means preparation to meet the hazards of drought and other vagaries of nature. It means doing these things in the interest of the general welfare.



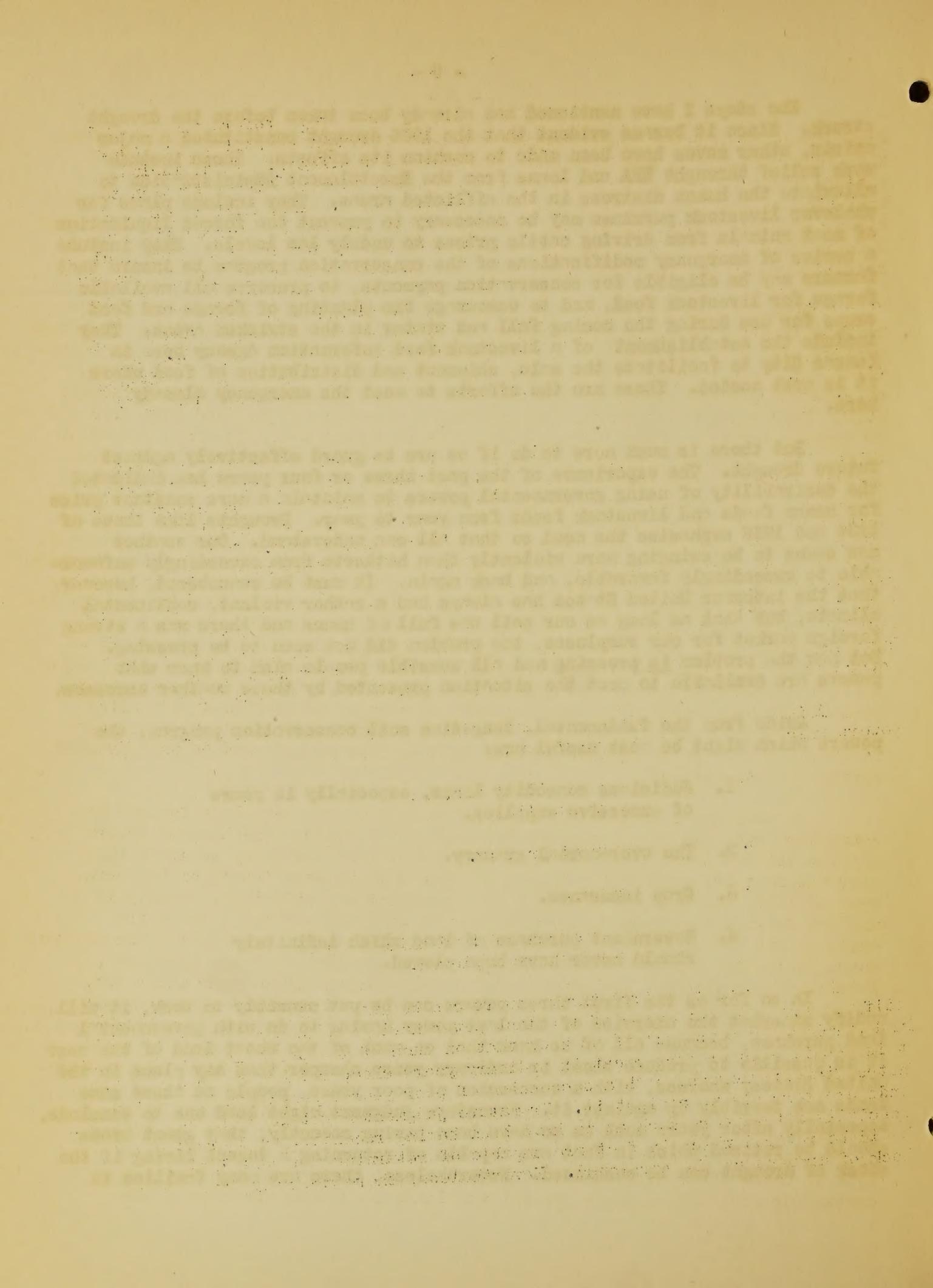
The steps I have mentioned had already been taken before the drought struck. Since it became evident that the 1936 drought constituted a major crisis, other moves have been made to cushion its effects. These include work relief through WPA and loans from the Resettlement Administration to alleviate the human distress in the afflicted areas. They include plans for whatever livestock purchase may be necessary to prevent the forced liquidation of meat animals from driving cattle prices to unduly low levels. They include a series of emergency modifications of the conservation program to insure that farmers may be eligible for conservation payments, to preserve all available forage for livestock feed, and to encourage the planting of forage and feed crops for use during the coming fall and winter in the stricken areas. They include the establishment of a livestock feed information agency here in Kansas City to facilitate the sale, shipment and distribution of feed where it is most needed. These are the efforts to meet the emergency already here.

But there is much more to do if we are to guard effectively against future drought. The experience of the past three or four years has indicated the desirability of using governmental powers to maintain a more constant price for human foods and livestock feeds from year to year. Droughts like those of 1934 and 1936 emphasize the need so that all can understand. Our weather now seems to be swinging more violently than hitherto from exceedingly unfavorable to exceedingly favorable, and back again. It must be remembered, however, that the interior United States has always had a rather violent, continental climate, but that as long as our soil was full of humus and there was a strong foreign market for our surpluses, the problem did not seem to be pressing. But now the problem is pressing and all sensible people wish to know what powers are available to meet the situation presented by these weather excesses.

Aside from the fundamental, long-time soil conservation program, the powers which might be most useful are:

1. Judicious commodity loans, especially in years of excessive supplies.
2. The ever-normal granary.
3. Crop insurance.
4. Government purchase of land which definitely should never have been plowed.

In so far as the first three powers can be put sensibly to work, it will modify somewhat the exercise of the last power having to do with governmental land purchase, because all of us know that on much of the wheat land of the west it is possible to produce wheat in ordinary years cheaper than any place in the United States; whereas, with a succession of poor years, people on these same lands are terribly up against it. Premature judgment might lead one to conclude, especially after years such as we have been having recently, that great areas should be retired which in fact are capable of returning a decent living if the shock of drought can be cushioned. Nevertheless, there are many families in



these areas of dry-land wheat farming who have been bucking an impossible situation in recent years, who have been compelled to ask for governmental relief, and who would like to get established elsewhere. In so far as their land is poor land of the type which should be in grass, it would seem to be the part of wisdom for the government to help them get reestablished rather than to keep them indefinitely on relief. I have no time here to go into details on public land acquisition and the short-and-long time problems that such a program involves.

From the standpoint of most farmers and consumers, there is more of immediate promise in the proper combination of judicious crop loans, the ever-normal granary, and crop insurance. An outstanding illustration of how crop loans benefited both farmer and consumer and brought about a partial realization of the ever-normal granary idea, was the corn loan of 45 cents per bushel in November, 1933. Many millions of bushels of corn which otherwise might have been sold for 25 cents a bushel in late 1933 or early 1934 were held until the late summer of 1934. Undoubtedly, as a result of this loan, corn did not go as high in price as it otherwise would have gone as a result of the terrible drought of 1934. This surplus was carried over until it was really needed. Both supplies and prices were held more nearly constant. The farmers who borrowed money from the Government at 4 percent were enormously benefited. It must be realized, however, that in case 1934 had been a year of exceptionally-favorable corn-growing weather, the Government might easily have lost 50 or 100 million dollars; and the Department of Agriculture and the Commodity Credit Corporation would have been subjected to the severest criticism. We felt safe in making loans which appeared in the fall of 1933 to be above the market and relatively high, because we thought we had in the powers of the Agricultural Adjustment Act the ability to control corn acreage as might be necessary, depending on ensuing weather in following years. Exceedingly high Government loans cannot, of course, be continued year after year over a long term of years, unless it is possible in case of several years of unusually favorable weather to make such acreage adjustments as will prevent excessive accumulations.

In passing, I would like to pay a tribute to the corn belt farmers in connection with the corn loans for the past three years. One hundred twenty million dollars were loaned on the corn crop of 1933 and every penny of this plus interest was paid back. Eleven million dollars were loaned on the corn crop of 1934, and again every penny plus interest was paid back. Nearly 14 million dollars were loaned on the corn crop of 1935, and while it is too early as yet to say whether the record of this loan will be as good as in the two years preceding, we are, however, hoping for the best. If there had been favorable corn weather, our record from a financial point of view would not, of course, have been as good. I am hoping that the farmers of the corn belt will continue to use this power of Government in a way which will stabilize supplies of corn and prices for corn from year to year without any discredit coming to the procedure as a result of heavy losses falling upon the Government.

The concept of the ever-normal granary is somewhat different from the concept of judicious commodity loans on the one hand or crop insurance on the other. The ever-normal granary has, however, much in common with both of these other approaches. The ever-normal granary is a device for protecting consumers against drought and farmers against excessively low

prices caused by extremely favorable weather. Both farmers and consumers are benefited by more nearly constant supplies and prices from year to year. In the old days, when the United States was a debtor nation or when strong demand by foreign nations was maintained by heavy loans to them, we had a strong export market and there was no great incentive to think about the ever-normal granary. In the old days, in years of ordinary weather we produced a considerable surplus for the export market, and in years of bad weather, our exports were reduced but we still had a great abundance for use at home. When our export market so largely disappeared, beginning in 1930, we began to think about producing more definitely for the domestic market and less for the foreign market. This means that we no longer have the same kind of safety reservoir that we had in the days when there was an active, worth-while foreign market for our grains. Until we regain these lost export outlets -- and gradual progress is being made -- we must devise other means to assure the nation adequate reservoir supplies.

It is the farmer's duty to the nation and to the consumers of the nation to produce enough food in every year, no matter how severe the drought, so that there will be no likelihood of any one going hungry. If the consumers of the nation hold the farmers to this duty in years of most severe drought, it would seem that the consumers of the nation would owe the farmers a reciprocal duty in years of unusually favorable weather. It is worth while calling attention at this time to the fact that favorable weather in the year 1936, with the acreage as planted to wheat and corn, would have brought very serious price declines. The acreage planted to wheat for 1936 harvest was 72 million as compared with a five-year average from 1928 to 1932 of 66 million. The acreage planted to corn in 1936 was 98 million as compared with the five-year average from 1928 to 1932 of 103 million. Favorable weather on the 1936 acreages of corn and wheat might easily have brought serious disaster to the farmer unless the Government were prepared to step in with judicious use of commodity loans. Reserve grain stored by farmers should be made to serve the nation in time of need without exacting an undue penalty from the farmer in ordinary years. How to do this is a challenge. With our wits sharpened by the urge of this drought emergency today, I suggest that challenge be accepted.

Two years ago before the 1934 drought had become acute, I suggested that the ever-normal granary plan receive thoughtful attention in an effort to make the principle of preparedness applicable to present-day conditions in America. I had often referred to the idea in previous years. If that principle can be linked with the other general principle of crop insurance and the combination made to work, the disastrous effect of droughts and surpluses will be reduced to a fortunate minimum and American agriculture will have made another important step forward.

Private business concerns have never found it feasible to enter the general crop insurance field, because of the lack of adequate data, high selling costs, and other factors. As a result, farmers have been unable to purchase insurance for their business comparable to that enjoyed by most other business.

This means that, as in the case of bank deposit insurance, the task is one which, if undertaken at all, will have to be undertaken by the federal government.

Either part of the combination of crop insurance and storage of reserves for emergencies holds sufficient promise to justify careful examination. I believe that, if attempted, it should apply at first only to one or two commodities, possibly wheat and corn, for experimentation.

To this end we have recently been engaged in making a study of the cost of all-risk crop insurance in order to determine as far as possible an actuarial basis for such insurance on wheat. We have also undertaken to analyze some of the general problems of crop insurance in the light of this new factual material. The data for the study were primarily records of wheat acreage and production for individual farms, which were prepared as part of the wheat program of the AAA. This is the first time the Department of Agriculture has had a very large amount of data on individual farms -- the only kind of data that are usable for calculating crop insurance costs. These records furnish, for the first time, individual production records of wheat for six years which are reasonably reliable.

There is no time for me to discuss the technicalities of all-risk crop insurance, but I might suggest that one method that was studied for distributing the cost of indemnities for insurance provided interesting possibilities. That method is to collect the premiums -- which might be paid in grain -- only in years of excess production rather than to collect them every year. In most of the hard winter wheat and spring wheat counties where studies were made, premiums ranging in amount from one-third to two-thirds of the excess yield above normal, if paid only in years of good yields, would have covered the cost of insurance up to 75 percent of the average yield in poor crop years. Such a plan would assess the costs only against those years in which there was a surplus production and, assuming that no decline in prices occurred in such years, the burden should be relatively lighter. The fact that a part of the surplus production is taken off the market would tend to prevent a weakening of the prices.

This plan, if adopted on a national scale, would really become the ever-normal granary plan, with crop insurance requirements serving as an automatic regulator. In years of surplus a part of the crop would be drawn off the market and put into storage and such amounts would be definitely fixed, being based on predetermined rates necessary to indemnify losses in bad crop years. In years of crop failures the grain would be released and the amount would be automatically determined by the indemnities to be paid. The accumulated reserves of grain would automatically go to those who needed it most, those whose income had been destroyed.

Furthermore, as a form of price stabilization the plan would require no funds to buy up the commodity. The participating farmers would really provide the capital in the form of premium payments for storage of grain, but in so far as this plan would keep prices from falling in years of surplus the burden of their contribution would be lighter. It is a very important point that, since the plan would operate automatically, with the grain being released from storage only in case of crop failure, the grain in storage would not be a potential supply on the market tending to depress the price.

Such a plan would be in effect an insurance pool in the form of wheat. By using a commodity plan exclusively the problems of price hazard and price insurance would be removed from the picture. If the insurance agency guaranteed a given number of bushels but collected the premium in cash, it would have to gamble on the price of wheat needed to make good its contracts. Similarly, if it paid deficiencies at a fixed price per bushel, it would be engaged in a gamble not only for crop insurance but for price insurance.

If crop insurance can assist a farmer in maintaining himself it will become one of the cornerstones of our national farm policy as it is gradually emerging. This suggests that the principle of crop insurance may rank along with soil conservation, good land use, adjustment of supply to demand, and adequate credit as a major element in national farm policy. To be on a sound basis, it must appeal to farmers in areas in which insurance is necessary and which, from their crop history would be self-supporting under normal conditions. It must allow for adequate supervision without excessive costs. It must retain the active cooperation of farmers through long periods of good crops or fair crops. It must be based on adequate individual production records and a sound actuarial basis of experience. It should not tend to make some farmers more careless and less efficient. It should not penalize the thrifty for the benefit of the careless.

Sound crop insurance would provide social security for the farmer. Perhaps he is entitled to his form of social security, along with others in the nation today and tomorrow.

Sound crop insurance would do away with much of the need for relief and aids and emergency loans which develop in times of stress.

Sound crop insurance would provide a better credit base for a farmer's operations which would ultimately mean more efficient production.

Sound crop insurance would tend to lessen the temptation for overplanting and would promote soil conservation and better farm practice.

Sound crop insurance should make it possible for those farmers living in that part of the dry-land area which, over a period of 30 years, is better adapted to grain than to grass, to continue to live there and survive happily even though droughts as severe as we have had in the last five or six years should recur. Unless we are willing to grant at this time that the climate has definitely and finally changed for the worse, it would seem to me that we should begin to accept the challenge presented to us by developing, at first tentatively and later more completely, adequate forms of crop insurance.

This whole question of crop loans, the ever-normal granary, and crop insurance, has a vital interest for pountrymen and other livestock producers because of the way in which eventually the supply of grain and the price of grain can be more nearly stabilized from year to year. One of the greatest sources of uncertainty in the livestock business is the mass distortion of judgment brought about by the alternating feast and famine of feed supplies. Poultry and livestock producers find themselves caught one year with excessively

high feed prices and a demoralized livestock market. A year or two later feed supplies are super-abundant and feed is exceedingly cheap, and everybody is making money by converting cheap feed into eggs or fat hogs or fat cattle. One of the most frequent phrases in livestock market reports is "feast and famine." Neither the farmer nor the consumer profits from the alternations of feast and famine. Both would be better off with a steadier supply of feed grains and a steadier supply of feed grains and a steadier supply of poultry and livestock.

The great droughts of 1934 and 1936 are a challenge to the inventive genius of the democratic institutions of the United States. No matter how great the problems which are forced upon us by weather, which seems now to fluctuate more violently from year to year than hitherto, America is sound at heart, and I am sure will devote her inventive power, her natural resources, and her democratic institutions to give bounty and hope to all our people. In agriculture, labor, industry and government there must be an ever greater emphasis on the increasing abundance for the average American home.

